

Daishowa-Marubeni International Ltd.

PROPHIX Case Study

Quick Facts

Industry

Manufacturing: Pulp

Company Info

- Operating since 1969
- Annual revenue: \$400 million
- Employees: 300
- General Ledger: Microsoft Dynamics GP
- Number of users: 55

ROI

- Reduced month-end report preparation time by 14 hours
- Reduced report distribution time from 8 hours to 1 hour each month
- Saved 7 hours on aggregating and consolidating monthly data
- Reduced time to perform intercompany eliminations by 87%
- Eliminated a week's worth of budget template changes; now done in minutes
- Significant time savings in updating historical data and analysis

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--Marvin Baker

Senior Accounting Advisor, DMI



DMI DAISHOWA-MARUBENI
INTERNATIONAL LTD.
Peace River Pulp Division

www.dmi.ca

At DMI, month-end processes required many hours of overtime in order to handle multiple, inconsistent Excel spreadsheets. By eliminating spreadsheets with PROPHIX, DMI now manages month-end consolidations in a timely fashion and has established a consistent and efficient process that integrates seamlessly with Microsoft Dynamics GP.

Background

Daishowa-Marubeni International Ltd. (DMI) is an integrated forest products company first established in western Canada in 1969 by Daishowa Paper Manufacturing Co., Ltd. (Daishowa) and Marubeni Corporation (Marubeni) of Japan when the company began a joint venture with Weldwood of Canada (acquired by West Fraser Timber Co., Ltd. in January 2005). Today, the company's bleach kraft pulp mill in Peace River, Alberta is one of the top ten pulp producers in North America. DMI manages 2.9 million hectares of Forest Management Agreement (FMA) timberlands to supply most of its fibre requirements for its pulp mill in Peace River. The company manages these lands on a sustainable basis for commercial harvest, reforestation, wildlife habitat, fish habitat, and ecological diversity.

Recognizing the Problem

With numerous, inconsistent Excel spreadsheets, DMI's forecasting and budgeting processes were painfully lengthy. Timely forecasting was a challenge with their current solution, so monthly forecasts were unattainable. Additionally, completing month-end tasks required too much time and effort.

Month end used to equal overtime at DMI. Many complicated Excel spreadsheets that didn't integrate with their general ledger package left the company without enough detail for reports, so it fell to staff to waste time entering data. "The overtime required to make up the month end was quite large so it was almost impossible for that person to meet the deadline unless they stayed and worked twenty-hour days," says Marvin Baker, Senior Accounting Advisor for DMI. "Everything was solved through overtime: they worked until the job got done."

“We do a lot of consolidations at month end and they (other solutions) didn’t have the ability to do that in a timely fashion. PROPHIX was able to handle what we wanted to do, and it integrated well with our Great Plains system.”

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With so many spreadsheets and no established procedures for creating them, a second major challenge was the lack of consistency in developing new spreadsheets. Add in the higher turnover in the down economy and training new people on how to use multiple spreadsheets, achieving consistency became almost impossible. The fact that the company manages two businesses, both manufacturing pulp and harvesting wood further compounded the problem.

Why PROPHIX

DMI was most intent on finding a comprehensive solution that fits in well with its general ledger package, and other competitors simply didn’t fit in as well as PROPHIX. “They couldn’t handle payroll, the hardwood harvesting operations, and the G/L as well as PROPHIX did. We do a lot of consolidations at month end and they didn’t have the ability to do that in a timely fashion. PROPHIX was able to handle what we wanted to do, and it integrated well with our Great Plains system,” says Marvin.

Implementing a Solution

Marvin says DMI’s implementation experience was positive. “The consultant was knowledgeable, helpful, and easy to work with,” says Marvin. “He kept what could have been a stressful situation pretty stress free.” The company had a fairly aggressive roll out that started at the beginning of February to be up and running for the March month end, and that target was met. Marvin adds that the consultant was particularly good about asking DMI what they wanted out of the system and tailoring his work to their needs.

Key Benefits

For DMI, time has been their major savings. Now they import all costs and statistics directly from their G/L, and then run a series of processes to allocate and consolidate them in ways to make them useful in their reporting system. “So in a totally hands-off approach, we are able to import costs from our G/L, run the processes and then at month end produce reports without having to manipulate the data,” says Marvin. “We’re also able to export changes and import them back into Great Plains so we have a closing entry in our G/L. When everything goes well, we don’t have to type in costs or statistics, we can do that all automatically. It cuts down prep time from 20 hours to six or seven. We’ve also increased our accuracy and consistency, given the fact that the data is a lot more protected than in Excel.”

In addition to reducing overtime and making their four accountants more productive, using PROPHIX has also allowed DMI to move from quarterly to monthly forecasts. “With the way the market and economy has gone, we want to be more on the ball with our future costs so we’ve been able to create detailed monthly forecasts,” says Marvin. In the past, they used to base predictions on last month’s data; now DMI turns data around in six working days, a significant competitive advantage.

Future Plans

“More PROPHIX!” claims Marvin. He notes that he hopes to get managers more involved in using the product directly. “We plan to expand PROPHIX into the organization and get more people using it,” he says. Sounds like even more time savings on the horizon for this busy company.

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